

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jim McBride

SUBJECT: SEE BELOW

DATE: November 30, 2004

Approved

Kay Whner

Date

12/1/04

SUBJECT: TECHNICAL SERVICE SUPPORT AGREEMENT WITH MEDTRONIC INC., FOR REPAIR AND INSPECTION OF DEFIBRILLATORS

RECOMMENDATION

Adoption of a resolution authorizing the Director of General Services to negotiate and execute an agreement with Medtronic Incorporated for the maintenance and support of existing Lifepak 12 and Lifepak 500 Cardiac Monitors (defibrillators) in an amount not to exceed \$170,256.

BACKGROUND

The City has standardized on Medtronic defibrillators since April 13, 2001 and re-affirmed the standardization in November 2004. The Fire Department uses the Medtronic Physio-Control LifePak Cardiac Monitors as part of the emergency medical Advanced Life Support services administered by the paramedic unit. The technical services consist of providing preventive and remedial maintenance, repair and on-site inspection of existing Lifepak 12 and Lifepak 500 units and related battery support systems.

The continuous maintenance and support of the Medtronic Lifepak Cardiac Monitors and battery support systems are required to enable the Fire Department to carry out their mission of responding to medical emergencies and saving lives. Each Fire Company has a LifePak 12 defibrillator on their engine or truck and a battery support system in the station. The defibrillator units are used to shock citizens in cardiac arrest into a viable rhythm until they can be stabilized at a hospital.

ANALYSIS

City staff has negotiated an aggressive pricing of \$860 per unit compared to the regular list price of \$1,000 per unit for a net savings of \$140 per unit. The total annual savings for the purchase of 75 Lifepak units is \$10,500. Furthermore, Medtronic has agreed to lock-in this pricing with a three-year contract for a total extended savings of \$31,500.

FDA regulations require annual inspection and maintenance of defibrillator units. Since Medtronic is the original equipment manufacturer, only Medtronic can provide the required maintenance to preserve product warranty. Maintenance of equipment by any other company will void the warranty. In addition, repair parts must also match existing Medtronic parts. Therefore, it is not practicable to obtain competitive quotes for the maintenance service.

Managed Competition (Contracting-In)

The City does not have the licensure, expertise or capability to provide technical support, repair or maintenance services of these proprietary defibrillators and battery systems.

PUBLIC OUTREACH

Not applicable

COORDINATION

This memorandum has been coordinated with the Fire Department, City Attorney's Office, Information Technology Department, and the City Manager's Budget Office.

COST IMPLICATIONS

This Council item is consistent with Council approved Budget Strategy recommendation under General Principle #2, "We must focus on protecting our vital core city services."

The cost for a three-year maintenance agreement for cardiac monitors (defibrillators) is \$170,256. The Fire Department's General Fund Non-personal budget includes annual funding for defibrillator maintenance.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2004-2005 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	0542	Non-Personal/ Equipment – Fire	54710000	\$6,291,785	\$170,256	VIII - 64	

HONORABLE MAYOR AND CITY COUNCIL

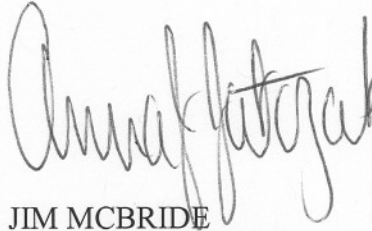
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Subject: Technical Support Agreement with Medtronic Inc.

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CEQA

Not a project

for 

JIM MCBRIDE
Interim Director of General Services

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CITY CLERK
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